
STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY	:	
	:	
Proposed general increase in electric rates,	:	No. 05-0597
general restructuring of rates, price unbundling	:	
of bundled service rates, and revision of other	:	
terms and conditions of service	:	
	:	
	:	

Direct Panel Testimony of

T.J. Brookover
The John Buck Company

and

Kristav M. Childress
GEV Corp.

on behalf of

the Building Owners and Managers Association of Chicago

1 **INTRODUCTION**

2 Q. Mr. Brookover, please state your name, business address and title.

3 A. My name is T.J. Brookover. My business address is The John Buck Company,
4 One N. Wacker Drive, Suite 2400, Chicago IL, 60606. My title is Senior Vice
5 President & Director of Property Management.

6 Q. Mr. Childress, please state your name, business address and title.

7 A. My name is Kristav M. Childress. My business address is GEV Corp., 360 N.
8 Michigan Avenue, Suite 1005, Chicago, IL 60601. My title is Technical Director.

9 Q. Mr. Brookover and Mr. Childress, on whose behalf are you testifying?

10 A. We are testifying on behalf of the Building Owners and Managers Association of
11 Chicago ("BOMA/Chicago" or "BOMA"). BOMA/Chicago is the voice of the
12 office building industry in the city of Chicago, representing 270 buildings within
13 the city limits. BOMA/Chicago members represent 94% of the total commercial
14 office space in Chicago. Now in its 103rd year and the oldest Building Owners
15 and Managers Association in the world, BOMA/Chicago represents the interests
16 of the people and companies that own and manage Chicago's commercial
17 buildings and their tenants. These valuable assets are the core of one of the
18 world's greatest business districts. By advocating the interests of the owners and
19 managers of these valuable assets, BOMA/Chicago also supports the businesses
20 and employees that are housed in them. BOMA/Chicago's mission is to promote
21 the welfare and advance the interests of the office building industry through
22 leadership, advocacy, education, research, information and professional
23 development.

24 Q. Does BOMA/Chicago have a significant interest in this proceeding?

25 A. Yes. BOMA/Chicago member buildings have an estimated aggregate peak
26 electricity demand of over 500 megawatts (“MWs”) within the service territory of
27 Commonwealth Edison Company (“ComEd”). Electricity expense is typically the
28 second largest line item expense (after real estate taxes) for our buildings.
29 BOMA/Chicago intervened and is actively participating in the pending separate
30 Illinois Commerce Commission (“ICC” or “the Commission”) proceeding in
31 which ComEd is seeking authority from the Commission to utilize a competitive
32 auction procurement process to acquire its electricity supply requirements post-
33 2006 (hereafter “ICC Docket 05-0159”). BOMA’s involvement in this delivery
34 service rate case is the logical next step as ComEd proposes to both update its
35 revenue requirement and re-examine its rates in this proceeding. (ComEd Ex. 9.0
36 Corr., pg. 6, ll.121-125).

37 Q. Mr. Brookover, please describe your professional background.

38 A. I am Senior Vice President & Director of Property Management for The John
39 Buck Company (“JBC”). JBC is one of the largest management and leasing
40 companies in the Midwest. JBC manages over 10 million square feet of office
41 space in the Chicago metropolitan area and many commercial buildings in several
42 other cities. JBC delivers a complete range of integrated real estate services that
43 meet the increasingly complex business and financial needs of its clients. I am
44 responsible for overseeing the operation of 17 buildings in the Chicago area, as
45 well as buildings in New York City, Washington D.C., and Minneapolis. I have
46 held this position since September 2004. Prior to this engagement, I was Vice

47 President for Shorenstein Realty Services, Inc. (“Shorenstein”) with responsibility
48 for the Central Region, which includes Chicago, Kansas City, New Orleans, and
49 Phoenix. I am currently the Chairman of BOMA/Chicago’s Energy Committee
50 and a member of the board of directors of BOMA/Chicago. In addition, I
51 presented direct and rebuttal panel testimony with Mr. Childress in ICC Docket
52 05-0159.

53 Q. Mr. Childress, please describe your professional background.

54 A. I am the Technical Director of GEV Corp. (“GEV”). GEV specializes in securing
55 electricity supply contracts for consumers that save money while minimizing the
56 economic risks posed by newly competitive markets. I am responsible for refining
57 and applying GEV’s proprietary computer model, which is used to analyze
58 electricity supply proposals in the ComEd service territory. The computer model
59 provides economic evaluation for an electricity consumer of competing electricity
60 supply proposals under projected electricity load profiles for that particular
61 consumer. I have analyzed electricity savings opportunities using this computer
62 model for more than a thousand accounts in the ComEd service territory including
63 a large number of buildings which are members of BOMA/Chicago. GEV has
64 produced positive results for many clients, ranging from large electricity
65 consumers like the Sears Tower to mid-size buildings and other smaller electricity
66 users.

67 Prior to joining GEV, I spent nearly a decade utilizing computer models to
68 analyze financial issues in highly regulated segments of the food industry. During
69 my career, I have worked extensively to apply and refine computer models to

70 real-world business situations, including quantification of the costs to businesses
71 of regulations and proposed changes in regulations.

72 Q. Mr. Brookover, what has been your experience with procurement of electricity
73 supply for buildings in ComEd's service territory?

74 A. I have negotiated electricity supply contracts for 15 buildings which I currently
75 oversee for The John Buck Company. Prior to that, I made electricity supply
76 decisions for Shorenstein's Chicago buildings, which include The John Hancock
77 Center and Prudential Plaza. I also was actively involved on behalf of Shorenstein
78 in the Post-2006 Initiative of the ICC.

79 Q. Mr. Childress, do you have experience with respect to ComEd's tariffs, including
80 ComEd's current bundled rates for electricity supply and delivery and ComEd's
81 current delivery service tariffs?

82 A. Yes. As I mentioned above, I am responsible for the refinement and application of
83 the proprietary computer model which GEV uses to analyze and compare
84 competitive electricity supply proposals in ComEd's service territory. The model
85 incorporates ComEd's tariffs for ComEd's bundled rates for electricity supply and
86 delivery ("bundled rates"), as well as ComEd's delivery service rates ("delivery
87 services tariffs" or "Rate RCDS"). The model is specifically designed to compare
88 estimated charges under competitive supply proposals, including ComEd's
89 applicable distribution and transmission charges, with estimated charges under
90 ComEd's bundled rates. I have performed analyses for many customers in the
91 ComEd service area to determine their economic justification – if any – for
92 switching from ComEd's bundled rates to either competitive electricity supply or

93 ComEd's Rider PPO-Power Purchase Option (Market Index) ("PPO-MI") tariff.

94 As a result of this experience, I am extremely familiar with ComEd's tariffs and
95 their impacts on consumers.

96 Moreover, I was extensively involved on behalf of Trizec Properties, Inc.
97 ("Trizec") in the analysis and negotiation of ComEd's current delivery services
98 and PPO-MI tariffs which were agreed on as part of a comprehensive settlement
99 among Trizec, ComEd and many other parties approved by the Commission in
100 2003. (ICC Final Orders, Docket Nos. 02-0656/ 02-0671/ 02-0672/ 02-0834
101 (Consol.), Docket No. 01-0423, and Docket No. 02-0479, dated March 28th,
102 2003). I also was an active participant on behalf of Trizec and Shorenstein in the
103 Commission's Post-2006 Initiative. Finally, as Mr. Brookover stated earlier, I also
104 presented direct and rebuttal panel testimony with him in ICC Docket 05-0159.

105 **PURPOSE OF TESTIMONY**

106 Q. What is the purpose of your testimony in this case?

107 A. The purpose of our testimony is to detail certain negative impacts that BOMA
108 member buildings and other consumers in ComEd's service territory will likely
109 experience if ComEd's proposed changes to its tariffed rates are approved for
110 service beginning in January 2007. We are proposing various changes to
111 ComEd's proposed rates and other tariffs which are designed eliminate these
112 negative impacts. Specifically, we are proposing that the Commission should:

- 113 • Modify ComEd's proposed delivery services tariffs so that nonresidential
114 space heating customers continue to receive rate treatment in relation to other

customers which is similar to the treatment nonresidential space heating customers have received in the past;

- Modify ComEd's proposed delivery services tariffs to eliminate rate shock for nonresidential customers with peak monthly demands greater than 10 MW ("over 10 MW customers"); and
- Modify the language in proposed Rider Resale - Conditions of Resale or Redistribution of Electric Power and Energy by a Retail Customer to Third Persons ("Rider Resale") to permit resellers of electricity to fully recover their costs and charge appropriately for the electricity they resell.

OVERVIEW OF COMED'S PROPOSED DELIVERY SERVICES RATE RDS

Q. Please provide an overview of ComEd's delivery services proposals you are addressing in this testimony.

A. ComEd is proposing to unbundle its retail rates in 2007 so that all customers will pay separate charges for electricity supply and delivery. (ComEd Ex. 9.0 Corr., pg. 11, ll. 250-251).

Under ComEd's current Rate RCDS, which applies only to customers electing competitive electric supply, and ComEd's proposed Rate RDS, which would apply to all customers in ComEd's service territory, the following delivery service charges are be applicable to nonresidential customers:

- A monthly Customer Charge;
- A monthly Standard Metering Service Charge; and
- A Distribution Facilities Charge ("DFC") applicable to a customer's Maximum Kilowatts ("kW") Delivered.

(Ill. C. C. No. 4, 5th Revised Sheet No. 118; Proposed Ill. C. C. No. 4, Original Sheet No. 368).

140 Q. What delivery service customer classes is ComEd proposing that would affect
141 BOMA member buildings post-2006?

142 A. Under ComEd's proposed Rate RDS, there will be 11 customer service classes for
143 delivery services beginning January 2, 2007, (ComEd Ex. 9.0 Corr., pg. 34, ll.
144 749-751), rather than the 20 service classes in ComEd's current Rate RCDS
145 (ComEd Ex. 9.0 Corr., pg. 33, ln. 723). Of these 11 proposed classes, the
146 following three would include virtually all BOMA member buildings:

Proposed Delivery Service Classes	Maximum Peak Demand Range
Medium Load	100-400 kW
Large Load	400-1,000 kW
Very Large Load	>1,000 kW

147 Q. Is ComEd proposing any additional changes to its rates and riders that will have
148 negative impacts on BOMA members and other non-residential consumers?

149 A. Yes. As part of its proposed unbundling of electricity costs, ComEd is proposing
150 to eliminate its currently available bundled rates and related riders. (ComEd Ex.
151 9.0 Corr., pg. 18, ll. 395-399). BOMA member buildings will be particularly
152 affected by ComEd's proposed elimination of Rider 25 – Electric Space Heating.
153 (ComEd Ex. 9.0 Corr., pp. 21-22, ll. 479-483).

154 **RATE SHOCK**

155 Q. Please define the term "rate shock" as you are using it in your testimony.

156 A. Rate shock occurs when a customer purchasing a commodity such as electricity
157 under established rates experiences a "shock" (paying much higher amounts for
158 comparable service) when those rates are redesigned. While few customers
159 imagine that prices for commodities can remain unchanged forever, they do not

160 expect an abrupt and extreme change in prices that causes them significant
161 financial distress.

162 Q. Please summarize the changes that ComEd is proposing to its retail tariffs that
163 you believe could lead to rate shock for BOMA member buildings.

164 A. BOMA believes that the following changes that ComEd is proposing in its tariffs
165 will result in significant rate shock for BOMA member buildings and other
166 buildings in ComEd's service territory:

167 1. *Elimination of ComEd's Nonresidential Space Heating Tariff Rider 25 -*
168 *Electric Space Heating* ("Rider 25" or "nonresidential space heating").

169 ComEd has explicitly stated its intention to eliminate Rider 25. (ComEd Ex.
170 9.0 Corr., pp. 21-22, ll. 479-483). BOMA member buildings and other
171 nonresidential space heated buildings will face huge increases in their
172 charges for electricity if Rider 25 is eliminated unless action is taken to
173 mitigate the impact of ComEd's electric space heating customers through
174 ComEd's delivery services tariffs.

175 2. *Elimination of ComEd's Currently Applicable Delivery Services Class for*
176 *Over 10 MW Customers*. ComEd proposes to eliminate its current delivery
177 services class for over 10 MW customers and include these customers in the
178 proposed delivery services class for Very Large Load nonresidential
179 customers with peak monthly demands over 1 MW. (ComEd Ex. 9.0 Corr.,
180 pg. 38, ll. 804-807). BOMA member buildings and other buildings that are
181 10 MW and greater customers will face huge increases in their charges for

182 delivery of electricity if the Commission approves ComEd's proposed
183 changes to its tariffs.

184 **RATE SHOCK FOR NONRESIDENTIAL ELECTRIC SPACE HEATING**
185 **CUSTOMERS**
186

187 Q. Please describe the significance of ComEd's nonresidential space heating tariff.

188 A. Since the mid-70's, ComEd's nonresidential space heating tariffs (i.e., Rider 25
189 and heating with light) have been available to nonresidential customers that heat
190 their facilities solely with electricity.

191 ComEd's Rider 25 has two very significant provisions:

- 192 • During non-summer billing months, ComEd does not charge for
193 electricity demand (\$/kW) recorded by meters designated as "space heat"
194 meters; and
- 195 • During non-summer billing months, all electricity usage recorded by
196 "space heat" meters is charged at a specific space heat rate (currently
197 4.557 cents/kWh).

198 Not surprisingly, nonresidential electrically space heated buildings
199 generally purchase more electricity during non-summer months than otherwise
200 comparable buildings that use natural gas or another fuel source for heating.
201 Nonresidential space heating tariffs were adopted to encourage electricity usage
202 for space heating and thereby "balance" non-summer usage with the heavy
203 summer usage on ComEd's system due to air conditioning.

204 Q. Can you estimate the cost impact to electric space heat buildings if ComEd
205 eliminates nonresidential space heating tariffs under its proposed unbundling of
206 rates?

207 A. To demonstrate the impact of the loss of Rider 25 on nonresidential space heating
208 customers, we compared the annual electricity cost under ComEd's otherwise
209 applicable bundled rates with charges under Rider 25 for a randomly selected
210 group of nonresidential space heating customers. The estimate showed that these
211 customers spend 16.9% less per kWh of electricity annually on Rider 25 than they
212 would if they "lost" Rider 25 and were served under ComEd's otherwise
213 applicable bundled rates. The results of this analysis are attached to our testimony
214 as BOMA Exhibit 1.1. The assumptions and data used in the analysis are attached
215 as BOMA Exhibit 1.2. These lower electricity charges were a strong motivation
216 for BOMA member buildings and other buildings to install electric space heating
217 equipment when the buildings were constructed (as was ComEd's installation of
218 internal electricity distribution risers, at no charge, to many "all-electric"
219 buildings).

220 Q. Will nonresidential space heating customers continue to have a ComEd rate
221 option that would provide these customers lower charges than ComEd's standard
222 rates if ComEd's proposal is approved in this case?

223 A. Nonresidential electric space heating customers would have no other option than
224 being served under ComEd's standard rates, which would effectively eliminate
225 the substantial rate discount they currently receive. This means that they would

226 receive much larger overall rate increases than nonresidential non-space heating
227 customers if ComEd's proposals are approved.

228 Q. Can't nonresidential space heating buildings simply heat with another energy
229 source if electricity becomes prohibitively expensive?

230 A. No. Installations of new heating systems are very expensive (and sometimes
231 virtually impossible) in buildings built to be heated electrically. Therefore, those
232 buildings that installed electric heating equipment will be hurt if there are
233 significant increases in their electricity charges for space heating usage.

234 Q. If the proposed unbundling of ComEd's current electricity rates goes forward in
235 2007 and the nonresidential space heating tariff is eliminated, is there any way to
236 provide relief for nonresidential space heating customers?

237 A. Yes. We believe the best way would be to exempt demand recorded by electric
238 space heat meters from Distribution Facilities Charges in ComEd's delivery
239 services tariffs. This exemption should also apply to buildings that are currently
240 eligible to be served under ComEd's heating with light service which ComEd also
241 is proposing to eliminate. Exemption of charges for electric space heat demand
242 would significantly mitigate these customers' rate shock from the loss of the
243 nonresidential space heating tariffs. Our approach merely continues what
244 nonresidential space heating customers have seen on their bills for years – no
245 charges for electric space heating demand.

246 Q. How much would BOMA's proposed exemption from Distribution Facilities
247 Charges for electric space heat demand affect overall charges for electrically
248 space heated customers?

249 A. Distribution Facilities Charges will constitute approximately 20-30% of ComEd's
250 charges for electricity supply and delivery to a typical nonresidential space
251 heating customer post-2006 if an auction supply procurement process is approved
252 in Docket 05-0159. We estimate that BOMA's proposal would reduce annual
253 Distribution Facilities Charges for electrically space heated customers by
254 approximately one-half and would make the overall increase for nonresidential
255 space heating customers similar to the increase for nonresidential non-space
256 heating customers.

257 Q. Has ComEd provided any cost basis for its proposed elimination of separate
258 treatment for nonresidential space heating customers?

259 A. No. In ComEd's Response to BOMA's Data Request No. 1.04, attached to this
260 testimony as BOMA Exhibit 1.3, ComEd states that they lack critical data on
261 electrically space heated customers for the 2004 test year, including: meter level
262 billing units; coincident peak monthly demand; and kWh consumption broken out
263 into space heat and non-space heat consumption. ComEd states that the data
264 would require "performance of a study that the Company [ComEd] has not
265 conducted." (BOMA Ex. 1.3, pg. 3).

266 Given the lack of data kept by ComEd concerning nonresidential electric
267 space heating customers, it appears that ComEd cannot currently provide a study
268 which shows the delivery services costs for this particular customer group.
269 Without such a study, ComEd's proposal to eliminate special treatment for these
270 customers should not be approved by the Commission.

OVER 10 MW CUSTOMERS

Q. Earlier, you mentioned over 10 MW customers. How many of these customers are there?

A. There are approximately 70 over 10 MW customers in ComEd's service territory. These customers include "flagship" properties that receive attention worldwide, including the Sears Tower, the Merchandise Mart, One IBM Plaza, Three First National Plaza and 55 East Monroe.

Q. How does ComEd propose to treat these customers in its proposed delivery services case?

A. ComEd proposes to eliminate the current delivery service class for over 10 MW customers and include those customers in the Very Large Load customer class (i.e., customers with peak monthly demands greater than 1 MW). (ComEd Ex. 9.0 Corr., pg. 38, ll. 804-807).

Q. What is the significance to over 10 MW customers of ComEd's proposed consolidation of its delivery service rate classes?

A. The table below shows the percentage increase in Distribution Facilities Charges for all over 1 MW customers under ComEd's proposed delivery service tariffs:

Current ComEd Rate RCDS Delivery Class (peak monthly MW of demand)	Currently Applicable ComEd Distribution Facilities Charges (per kW)	ComEd's Proposed Post-2006 Distribution Facilities Charges (per kW)	Resulting Percentage Increase in Distribution Facilities Charges
Over 10 MW	\$2.34	\$5.45	133%
6 to 10	\$4.47	\$5.45	22%
3 to 6	\$4.63	\$5.45	18%
1 to 3	\$4.45	\$5.45	22%

(Ill. C. C. No. 4, 3^d Revised Sheet No. 119-119.1; Proposed Ill. C. C. No. 4, Original Sheet No. 369).

Q. How does BOMA propose to mitigate ComEd's proposed 133% delivery services increase for over 10 MW customers?

A. BOMA proposes that the Commission direct ComEd to continue to have a separate delivery services class for over 10 MW customers. Additionally, ComEd should maintain its current practice of providing a high voltage credit through Rider HVDS to customers who take service at 69,000 volts rather than establish a separate rate class for these consumers. (ComEd Ex. 9.0, pp. 38-39, ll.825-830). Finally, ComEd should spread the effects of revenue lost as a result of this high voltage credit on an equal percentage basis to all nonresidential customer classes as ComEd does in its current delivery services tariffs.

RIDER 12 AND PROPOSED RIDER RESALE

Q. Are you familiar with ComEd's currently effective Rider 12?

A. Yes. Under ComEd's Rider 12 the resale or redistribution ("resale") of electricity to third persons ("tenants") by retail customers is restricted to those retail customers ("resellers") that have resold electricity continuously since 1957. We understand that there are over 50 BOMA member buildings, with over 20,000,000 square feet of rentable space, that are resellers subject to Rider 12.

Q. Are you familiar with ComEd's proposed Rider Resale?

A. Yes. Rider Resale, which is intended to replace ComEd's current Rider 12, continues the resale restriction just discussed. Rider Resale also replaces Rider

310 12's complex formula regarding how much a reseller may charge for electricity
311 with the following:

312 RESALE RESTRICTIONS.

313 A retail customer that resells electric power and energy to third persons
314 must resell such electric power and energy at a rate that does not exceed
315 the average cost per kilowatt-hour that such retail customer incurs for the
316 electric power and energy it resells, including all taxes and other adders
317 applicable to the electric power and energy provided to such retail
318 customer.

319 (Proposed Ill. C.C. No. 4, Original Sheet No. 468).

320 Q. Do you have any concerns about the "resale restrictions" in ComEd's proposed
321 Rider Resale?

322 A. Our first concern is that Rider Resale would prevent a reseller from recovering the
323 full costs of reselling electricity to its tenants. Our second concern is that this
324 rider would have the undesirable consequence of not allowing resellers to
325 properly allocate electricity costs to tenants.

326 Q. Please explain why Rider Resale would prevent a reseller from recovering the full
327 costs of reselling electricity to tenants.

328 A. Apart from commodity supply and delivery services charges, the language of
329 Rider Resale would prevent the reseller from recovering any additional costs
330 beyond taxes and "adders applicable to the electric power and energy provided to
331 such retail customer." (Proposed Ill. C.C. No. 4, Original Sheet No. 468).
332 BOMA's Data Request No. 1.08 to ComEd, attached to this testimony as BOMA
333 Exhibit 1.4, asked ComEd to define the term "adders" as used in proposed Rider
334 Resale. ComEd's response includes six examples of adders, and all but one of
335 these adders are charges that an electric utility or competitive supplier would bill

336 to its own customer. That is consistent with how the term “adders” is commonly
337 used in electricity billing. ComEd’s response also states that such adders may
338 include “[c]osts incurred by the retail customer to enable the retail customer to
339 resell the electric power and energy to third persons.” (BOMA Ex. 1.4, pg. 2).
340 According to ComEd’s data request response, “these costs may include but are
341 not limited to the cost of reading electric meters and mailing electric service
342 invoices to third persons.” (BOMA Ex. 1.4, pg. 2). Based on ComEd’s data
343 request response, we understand that it is not ComEd’s intent to prevent a reseller
344 from recovering from tenants the full cost of reselling electricity to tenants, but
345 Rider Resale’s limitation of a reseller’s cost recovery to “adders” is contrary to
346 that intent. Therefore, the right of resellers to recover the full costs of reselling
347 electricity must be made clear in the language of the tariff.

348 Q. Please explain why Rider Resale would prevent a reseller from properly
349 allocating electricity costs to tenants.

350 A. Under ComEd’s proposed Rider Resale, the rate charged to a tenant cannot
351 exceed the “average cost per kilowatt hour” that the reseller itself incurs for
352 electric service. (Proposed Ill. C.C. No. 4, Original Sheet No. 468). Because a
353 reseller would not be able to charge more than the “average cost per kilowatt
354 hour,” the reseller would almost certainly charge all tenants this “average” in an
355 attempt to ensure recovery of its electricity costs. This “averaging” of electricity
356 costs could result in misallocating those costs among tenants. For example,
357 assume one tenant of a reseller uses most of its electricity from 9AM to 5PM
358 while another tenant operates a call facility “24 X 7” with a very consistent

electric load over a 24-hour period. If the reseller is purchasing Peak and Off-Peak electricity from ComEd or a competitive supplier, with Off-Peak electricity costing less per kWh, then the average cost per kWh of electricity purchased by the reseller for the “9 to 5” tenant could be significantly higher than the average cost for the “24 X 7” tenant. Yet ComEd’s proposed language would require that the reseller charge both tenants no more than the “average cost per kilowatt hour.” For this reason, the “average cost per kilowatt hour” restriction should be deleted.

Q. How should such reseller cost recovery matters be addressed in ComEd’s proposed Rider Resale?

A. The best way to address reseller cost recovery issues is also the simplest and most direct: Rider Resale should recognize that a reseller and its tenant will typically enter into a written lease that specifies how the reseller will charge the tenant for electricity. The pressure to attract and keep tenants in a competitive real estate market will deter resellers from imposing excessive electricity charges, and ComEd’s Rider Resale should not be used to “second guess” lease terms freely agreed on by the reseller and the tenant.

If, however, the reseller and the tenant do not have a lease with terms that set forth how the tenant is to be charged for electricity, then Rider Resale can serve a useful purpose as a “default” electricity cost arrangement, provided that Rider Resale is revised as we have discussed.

Q. Do you recommend specific changes to ComEd’s proposed Rider Resale?

380 A. Yes. In order to resolve the issues we have discussed, the “RESALE
381 RESTRICTIONS” section of ComEd’s proposed Rider Resale should be modified
382 to read as follows:

383 A retail customer subject to this rider may enter into a written lease or
384 other written agreement with a third person which sets forth the terms
385 under which the retail customer will charge the third person for electricity.
386 In the absence of such a written lease or other written agreement, a A
387 retail customer that resells electric power and energy to third persons must
388 resell such electric power and energy at a rate that does not exceed the
389 average cost per kilowatt hour the total cost that such retail customer
390 incurs for the electric power and energy it resells. A retail customer’s total
391 cost to sell electric power and energy includes commodity supply charges,
392 delivery services charges, including all taxes and franchise fees and costs,
393 all and other costs and adders charged to the retail customer, and all other
394 costs incurred by the retail customer to enable the retail customer to resell
395 electric power and energy to third persons, including, but not limited to,
396 maintenance costs relating to the retail customer’s internal electrical
397 distribution system, fees of meter service companies, and administrative
398 costs incurred in billing third persons for applicable to the resold electric
399 power and energy provided to such retail customer.

400 Q. Does this conclude your direct panel testimony?

401 A. Yes.